

SYSTEM AND METHOD FOR PRIVATE AND SECURE
FINANCIAL TRANSACTIONS

ABSTRACT

A system and method for private and secure financial transactions. The system and method comprise embedded into financial institutions (financial institution) privacy and security layer architecture and the "clocked" authentication, authorization and accounting (AAA) method. The system and method enable legal financial account holders (financial account holder) to perform buy/sell or withdraw/deposit financial transactions (financial transaction) without disclosing private personal information to the transaction counterparts, while preserving highly elevated and enhanced security and fraud protection as compared with conventional methods. Before financial transaction , financial account holder initiates an authentication session with financial institution back office (financial institution back office) by accessing its central processing unit (CPU) and data base (dB), configured in the embedded privacy and security layer (EPSL) architecture with automated "clocked" AAA sessions by using dedicated communication lines. The authentication session is interactive, transaction specific and followed by either financial transaction deny or an alphanumeric signature generated for this specific financial transaction . Then financial account holder submits his/her request to a transaction counterpart along with the EPSL account number and the alphanumeric signature, generated by financial institution EPSL during previous authentication session. The transaction counterpart adds up additional or more refined financial transaction specific information and requests an authorization session with financial institution back office where the EPSL account, CPU and dB are residing. The accounting session starts at the end of the authentication session and finishes along with the authorization session while being an essential part of them both. The system and method are particularly suited for use by banks, credit card companies and brokerage companies. Finally, the system and method are well adapted to the current and upcoming software, hardware, and electronic commerce technologies and can be easily implemented given an acceptable business trade off.